



Liquid Avatar Announces Early Exercise Warrant Incentive Program to Fuel Business Growth

Program designed to encourage the early exercise of outstanding warrants

Toronto, Canada – June 10, 2021 – Liquid Avatar Technologies Inc. (CSE: LQID / OTC:LQAVF / FRA:4T51) (“Liquid Avatar Technologies” or the “Company”), a global blockchain, digital identity and fintech solutions company, is pleased to announce that it has received approval from the Canadian Securities Exchange to implement an early exercise warrant incentive program (the “Program”) designed to encourage the early exercise of the Company’s 34,215,573 outstanding common share purchase warrants with an exercise price of \$0.20 per share with expiry dates ranging from November 10, 2021 to December 23, 2022 (the “Warrants”).

To the extent that holders of the Warrants take advantage of the opportunity to exercise their Warrants during the Early Exercise Period, this Program will simplify the Company’s capital structure by removing a significant number of existing warrants and strengthen the Company’s cash position in the near term to continue to create shareholder value.

The Program will commence on June 10, 2021 at 9:00 a.m. EDT and expire on July 16, 2021 at 5:00 p.m. EDT (the “Early Exercise Period”). Under the Program, the Company is offering an incentive for each Warrant that is exercised during the Early Exercise Period of an additional fraction of a new common share of the Company (“Common Shares”) (each whole Common Share, an “Incentive Share”), pursuant to the following terms:

- a holder exercising Warrants expiring in 2021 will receive 0.35 of an Incentive Share for a total of 1.35 Common Shares; and
- a holder exercising Warrants expiring in 2022 will receive 0.48 of an Incentive Share for a total of 1.48 Common Shares.

If all the Warrants are exercised during the Early Exercise Period, the Company expects to:

- receive gross proceeds of approximately \$6.84 million; and
- issue a total of approximately 49,917,987 Common Shares pursuant to the exercise of the Warrants, including 34,215,573 Common Shares and 15,702,414 Incentive Shares pursuant to the exercise of the Warrants during the Early Exercise Period

The Company expects to use the net proceeds received as a result of the Program to fund the continuing expansion and growth of its Liquid Avatar Mobile App, ongoing SaaS initiatives for verifiable credentials issuers and verifiers, revenue programs, and general working capital programs.

The terms and conditions of the Program and the method of exercising Warrants pursuant to the Program will be set forth in a letter to be delivered by email to the registered holders and in the event of no email address available or undeliverable, to the registered address of each holder not receiving an email (“Warrantholder”). Warrantholders who wish to participate in the Program will agree to exercise their Warrants and deliver the other necessary documents in consideration of the issuance by the Company of the Incentive Shares. Holders of Warrants resident in Canada must be “accredited investors” under applicable Canadian securities laws or provide satisfactory evidence that they meet the requirements of an alternative exemption from the prospectus requirements of applicable Canadian securities laws in order to participate in the Program. The Incentive Shares will be subject to a four-month hold period from the date of the Incentive Share issuance pursuant to applicable Canadian securities laws.

If Warrants are not exercised prior to the end of the Early Exercise Period or if a Warrant holder does not qualify to receive Incentive Shares, the Warrants will remain outstanding and continue to be exercisable on the same terms applicable to such Warrants as they existed prior to the Program.

The Company has engaged Research Capital Corporation as its exclusive soliciting agent in connection with the Program to assist Warrant holders to exercise Warrants. Holders of Warrants held through a broker or investment dealer should contact their broker or investment dealer for additional details regarding participation in the Program. Research Capital Corporation will receive a fee equal to 3.0% of the gross proceeds from the exercise of Warrants during the Program.

Insiders of the Company may participate in the Program and, if they do so, the Program may constitute a “related party transaction” within the Meaning of Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* (“MI 61-101”). If this occurs, the Company intends to rely on the exemptions from the formal valuation requirements of MI 61-101 contained in section 5.5(a) and (b) of MI 61-101 on the basis that the fair market value of the transaction with insiders will not be more than 25% of the market capitalization of the Company and no securities of the Company are listed on a specified market set out in such section, and the Company intends to rely on the exemption from the minority shareholder approval requirements of MI 61-101 contained in Section 5.7(1)(a) of MI 61-101 on the basis of the fair market value of the transaction with insiders will not be more than 25% of the market capitalization of the Company. The material change report for the Program was not filed more than 21 days prior to announcing the Program but will be filed more than 21 days prior to the end date of the Program.

There can be no assurances as to the reception of the Program by holders of Warrants, the number of Warrants exercised, the net proceeds to be received by the Company, the impact on the financial condition of the Company, or any impact on the market price of the Common Shares.

If you would like to join our mailing list and receive updates from the Company, please [click here](#)

About Liquid Avatar Technologies Inc. -www.liquidavatartechnologies.com

Liquid Avatar Technologies Inc., through its wholly owned subsidiary Liquid Avatar Operations Inc., focuses on the verification, management and monetization of Self Sovereign Identity, empowering users to control and benefit from the use of their online identity.

The Liquid Avatar App, available in the Apple App Store and Google Play is a verified Self Sovereign Identity platform that empowers users to create high quality digital icons representing their online personas. These icons allow users to manage and control their digital identity and Verifiable Access and Identity Credentials, and to use Liquid Avatars to share public and permission based private data when they want and with whom they want. www.liquidavatar.com

The Company has a suite of revenue generating programs that support the Liquid Avatar program, including KABN KASH, a cash back and reward program that has over 500 leading online merchants and, coming soon, an integrated offer engine. In Canada, the Company also has the KABN Visa Card, a card and mobile app platform that allows users to manage and control a range of financial services for traditional and digital currencies. The Company is currently exploring expansion of the KABN Visa program to other geographic regions, including the USA.

Oasis Digital Studios is a creative and development agency that supports a wide range of artists, talent, and enterprises with Non-Fungible Token (NFT) solutions.

Liquid Avatar Technologies Inc. is publicly listed on the Canadian Securities Exchange (CSE) under the symbol "LQID" (CSE:LQID).

The Company also trades in the US on the OTCQB under the symbol "LQAVF" and in Frankfurt under the symbol "4T51"

If you have not already joined our mailing list and would like to receive updates on Liquid Avatar Technologies Inc., please [click here](#) to join!

For more information, please visit www.liquidavatartechnologies.com

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The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

All websites referred to are expressly not incorporated by reference into this press release.

Forward-Looking Information and Statements

This press release contains certain “forward-looking information” within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company’s control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein may include, but is not limited to, information concerning the net proceeds of the Offering, the use of the net proceeds of the Offering, the timing for the launch of Liquid Avatar apps, the plans for future features of the Liquid Avatar apps, expected geographic expansion, the ability of the Company to generate revenues, roll out new programs and to successfully achieve business objectives, and expectations for other economic, business, and/or competitive factors.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: holders of Warrant not finding the Program sufficiently attractive, failure to obtain necessary approvals in a timely manner or at all; lack of sufficient capital to expand the Company’s geographic footprint or to add new features to the Company’s offerings; changes in general economic, business, and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; the impact of economic, competitive and other factors affecting the Company and its operations; and the impact of COVID-19. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated, or expected.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice. This press release should be considered in light of all filings of the Company that are disclosed on the OTC Markets.com website.